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INFO RUFOADA/JAC MOLESWORTH AFB UK
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C O N F I D E N T I A L SECTION 01 OF 02 LAGOS 001360

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DOE FOR GPERSON, CGAY
TREASURY FOR ASEVERENS, SRENENDER, DFIELDS
COMMERCE FOR KBURRESS
STATE PASS USTR FOR ASST USTR SLISER
STATE PASS TRANSPORTATION FOR MARAD
STATE PASS OPIC FOR ZHAN AND MSTUCKART
STATE PASS TDA FOR NCABOT
STATE PASS EXIM FOR JRICHTER
STATE PASS USAID FOR GWEYNAND AND SLAWAETZ

E.O. 12958: DECL: 11/09/2016

TAGS: EPET ENERG ASEC PTER NI

SUBJECT: GON HAS SURRENDERED DEFACTO CONTROL OF CREEKS TO
MILITANTS

REF: A. LAGOS 1249

- 1B. LAGOS 1254
- 1C. LAGOS 1263
- 1D. LAGOS 1264
- 1E. LAGOS 1272
- 1F. LAGOS 1276
- 1G. LAGOS 1278
- 1H. LAGOS 1294
- 1I. ABUJA 2974

Classified By: Consul General Brian Browne for Reasons 1.4 (B,D)

11. (C) Summary: Consulate Lagos submits this missive to complement Abuja 2974. This message provides the consulate's perspective which is in close accord with that offered in Reftel. As things now stand, the Government of Nigeria (GON) has surrendered de facto control over large swathes of the creeks and waterways to armed militants in the Niger Delta. Roughly one third of oil production was shut down for a time due to militant activity, although recently shut-ins have been reduced to approximately one fifth of production. International oil companies (IOCs) and oil service companies basically have pulled expatriate employees from working in the creeks. The military has mustered on Bonny and Onne islands (Ref. G) and has reduced its presence in the creeks to a minimum. Credible sources claim that militants recently took delivery of a handsome cache of weapons and a number of speed boats to add to their already considerable strength. The reduction in the military and oil company presence in the creeks may be temporary and tactical. Nonetheless, the longer this retreat lasts, the more the militants will be imbued with confidence and the stronger they think they are getting. The less likely will they be to desist in the very activities from which they believe they derive their puissance. End Summary.

Reduced Oil Flow, Reduced Company Presence

¶2. (C) The situation in the Niger Delta has deteriorated over the past weeks. Some weeks ago, the Government admitted 800,000 barrels of oil per day, out of current average total production of 2.55 million barrels per day, had ceased flowing as the result of militant activity, although by end-October some militant-affected flowstations had come back on line, reducing shut-ins to approximately one-fifth of production (approximately 514,000 barrels per day shut-in). Small Nigerian oil companies, like Dubri and Oceanic, are completely inactive because of the danger of militant activity. Violence and the threat of violence against workers and facilities have caused international oil companies (IOCs) to reduce work at most locations, and move most expatriate employees out of the creeks. Oil services companies are in an increasingly difficult position. As the IOCs reduce their operations, the services companies find their income reduced and have difficulty paying idle employees. As a result, some oil services firms have begun to feel the impact of the slowdown, laying off local employees. (Ref. F)

Reduced Military Presence in the Creeks

¶3. (C) The Nigerian military has reduced its deployments in the Delta creeks. This tacitly cedes control of large tracts of the area to the militants. Although the Joint Task Force (JTF) has superior aggregate force, in its tactical encounters with the militants, the JTF patrols have been outgunned and outmanned by their militant antagonists on too many occasions. Due to the disrepair of their air assets, the military cannot translate what should be an inherent superiority in its control of the airspace above the creeks into an operational advantage. We know of no military aerial

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reconnaissance flights to locate the hostages or stolen barges taken in September and October.

¶4. (C) Recent reports suggest that JTF forces have pulled out of the creeks for concentrated deployment on Onne and Bonny Islands. (Ref. D) Given the length of time the troops have been mustered in these two locations, this move appears more like an attempt to avoid further confrontations with the militants, rather than to prepare for imminent aggressive action.

No Government Engagement With Militants Underway

¶5. (C) While GON forces are taking a passive approach on the ground, the GON also appears dormant in making any pacific overtures to the militants. (Ref. D) GON policy towards the militants seems to revolve around placating the Warri-based Federated Niger Delta Ijaw Communities (FNDIC) group, which engineered the January and February kidnappings and attack on oil installations. By mollifying FNDIC, the GON seems to have initially thought that group would be able to contain the other militant groups. This strategy has been proven ineffective by the reality and pace of recent events.

Comment: The Net Effect

¶6. (C) Thus far, the GON policy in the Delta has been laconic in the pursuit of peaceful resolution to militant stirrings and irresolute in the application of force to contain the militants. Because of the GON's failure to make progress in either talking to the militants or in outmuscling them, the Delta remains a place of significant uncertainty frequently punctuated by the kidnapping of expatriates, closure of oil facilities and eruption of localized political violence.

¶7. (C) Almost imperceptibly, it seems the current balance of power has shifted towards the militants. The GON military

posture is less assertive and the oil companies are down to minimal staffing in the area. Meanwhile, some militant groups are retooling and attracting recruits. Fortunately, these groups currently believe their interests are best served by harassing the oil companies and not shutting them down.

¶8. (C) There is no countervailing reason to think the militants will reduce their level of activity. They are in as favorable position as they could imagine. We hope their next success does not embolden them toward ever more risky behavior. Should the militants radicalize to the extent of trying to shut down ever greater amounts of production, the GON might be forced to abandon its passive military strategy. Any large scale confrontation between the GON and militants could be dire. The best way to prevent this is for the GON to engage more actively with representatives of the militants and other Ijaw groups in hopes of negotiating disruptive militant action down to a minimum. End Comment.

¶9. (U) This cable was cleared by Embassy Abuja.

BROWNE